

PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

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MEMORANDUM

TO: Wakefield Retirement Board

FROM: Joseph E. Connarton, Executive Director

RE: Approval of Funding Schedule

DATE: November 28, 2016

This Commission is hereby furnishing you with approval of the revised funding schedule you recently adopted (copy enclosed). The schedule assumes payments are made on August 1 of each fiscal year. The schedule is effective in FY17 (since the amount under the prior schedule was maintained in FY17) and is acceptable under Chapter 32.

The revised schedule reflects a reduction in the investment return assumption from 7.75% to 7.50% and the adoption of a fully generational mortality assumption.

If you have any questions, please contact PERAC's Actuary, Jim Lamenzo, at (617) 666-4446, extension 921.

JEC/jrl

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Enc.



Wakefield Retirement System
January 1, 2016 Actuarial Valuation

7.18% total cost increasing until FY34 with a final amortization payment in FY35

<u>Fiscal Year</u>	<u>Normal Cost</u>	<u>Net 3(8)(c)</u>	<u>Amort. of UAL</u>	<u>Amort. of 2002 ERI</u>	<u>Amort. of 2003 ERI</u>	<u>Amort. of 2010 ERI</u>	<u>Total Cost</u>	<u>Unfunded Act. Liab.</u>	<u>% Increase Total Cost</u>
2017	2,058,420	115,000	2,907,494	4,273	70,458	7,274	5,162,920	63,156,763	
2018	2,151,049	115,000	3,185,563	4,273	70,458	7,274	5,533,618	64,699,051	7.18%
2019	2,247,846	115,000	3,486,079	4,273	70,458	7,274	5,930,931	66,059,877	7.18%
2020	2,348,999	115,000	3,815,041		70,458	7,274	6,356,772	67,201,645	7.18%
2021	2,454,704	115,000	4,236,210			7,274	6,813,189	68,082,096	7.18%
2022	2,565,166	115,000	4,614,936			7,274	7,302,375	68,653,823	7.18%
2023	2,680,598	115,000	5,023,814			7,274	7,826,686	68,863,738	7.18%
2024	2,801,225	115,000	5,472,417				8,388,642	68,652,485	7.18%
2025	2,927,280	115,000	5,948,666				8,990,947	67,953,800	7.18%
2026	3,059,008	115,000	6,462,488				9,636,497	66,693,811	7.18%
2027	3,196,663	115,000	7,016,734				10,328,397	64,790,272	7.18%
2028	3,340,513	115,000	7,614,463				11,069,976	62,151,721	7.18%
2029	3,490,836	115,000	8,258,964				11,864,800	58,676,569	7.18%
2030	3,647,924	115,000	8,953,769				12,716,693	54,252,089	7.18%
2031	3,812,081	115,000	9,702,671				13,629,751	48,753,331	7.18%
2032	3,983,624	115,000	10,509,743				14,608,368	42,041,917	7.18%
2033	4,162,887	115,000	11,379,361				15,657,248	33,964,739	7.18%
2034	4,350,217	115,000	12,316,221				16,781,439	24,352,532	7.18%
2035	4,545,977	115,000	13,096,739				17,757,716	13,018,315	5.82%
2036	4,750,546	115,000					4,865,546	0	-72.60%

Appropriation payments assumed to be made August 1 of each fiscal year.

Normal cost assumed to increase 4.5% per year.

Assumed expenses of \$370,000.

FY17 appropriation maintained at the same level as the current schedule.